The housing crisis and ensuing Great Recession of the late 2000s resulted in millions of homeowners losing their homes to foreclosure and millions more losing substantial amounts of housing wealth as home prices plummeted. These substantial financial losses have raised important questions about the appropriateness of policies to encourage homeownership as a wealth building strategy for low-income and minority households. In 2013 the Joint Center for Housing Studies published a paper entitled “Is Homeownership Still an Effective Means of Building Wealth for Low-income and Minority Households? (Was it Ever?)” as part of our 2013 symposium held to reexamine the goals of homeownership and explore lessons learned from the housing crisis.

That study found that despite the severity of the housing crash, the median household who bought a home after 1999 still managed to accrue significant amounts of wealth through 2009, the latest year for which data was available at the time. While about a quarter of new homeowners over this period were no longer owners as of 2009, among those who had exited homeownership, the typical household ended the period with wealth that was little changed from before they bought their homes.

But with housing prices continuing to fall in most markets until 2012, there was an open question of whether the study’s results were skewed by not capturing the full extent of the housing downturn. This present study updates the analysis of the earlier study to include outcomes for these same households through 2013 when the worst of the crash was over. The updated analysis presented in this paper upholds the bottom-line result from the earlier paper: for most households, homeownership was associated with significant gains in household wealth, even when viewed across the tumultuous housing crisis period of 1999-2013. However, including the additional period from 2009-2013 did reduce the magnitude of the annual gains in wealth associated with owning, and also found a higher share of Hispanic and low-income households that failed to sustain homeownership.

Overall, this study’s findings indicate that while homeownership continues to offer a majority of households the opportunity to build up wealth, owning is not without significant risks, especially for minorities and lower-income households.
Update on Homeownership Wealth Trajectories Through the Housing Boom and Bust

Christopher E. Herbert, Daniel T. McCue, and Rocio Sanchez-Moyano

In 2013, as part of the Joint Center’s Homeownership Built to Last symposium, we used the data from the 1999-2009 panels of the Panel Study of Income Dynamics to explore whether homeownership, particularly for low-income and minority families, was an effective means of building wealth during the most tumultuous housing market in recent memory.¹ We found positive effects on wealth for the median household for every year of homeownership across all racial/ethnic and income groups, little change in wealth among those who remained renters, and ultimately no net gains or losses in wealth across the period for renters with transitions to homeownership that were not sustained through 2009. These findings led us to the conclusion that the net financial impact of the transition from renting to homeownership could be characterized as ‘nothing ventured, nothing gained’:

[E]ven during a time of excessive risk taking in the mortgage market and extreme volatility in house prices, large shares of owners successfully sustained homeownership and created substantial wealth in the process (at least through 2009) ... Owners who failed to sustain homeownership did suffer substantial loss in wealth, but much of the wealth was associated with the move into homeownership, so these households essentially fell back to their initial wealth levels. At least in terms of household wealth, failed attempts at owning do not appear to leave the typical household worse off than when they started. (Herbert et al. 2014)

As the passage above suggests, we were limited in the original paper by having data only through 2009. While this was the most recent data available at the time, it did not extend far enough into the housing downturn to capture all of the related fallout. Indeed, while much of the decline in home prices had occurred by the end of 2009, and the CoreLogic National

Home Price Index in March of 2009 was fully 30 percent below the 2006 peak, prices continued to fluctuate and declined another 5 percent to the eventual trough reached in March of 2011. More importantly, a large share of the foreclosures and distressed exits from homeownership resulting from the downturn occurred after 2009. For that reason, we have updated our original analysis to include data through 2013, allowing us to more thoroughly capture the extent of the housing downturn and its accompanying effects on wealth accumulation by families.

The updated analysis upholds the findings from the earlier paper. Despite the continued declines in home values and continued high levels of foreclosure, we find that homeownership was associated with sizeable gains in household wealth for the median household who sustained homeownership through the dramatic housing cycle. For the typical household that had purchased a home during the period but was once again renting by 2013, net wealth had roughly returned to pre-homeownership levels and did not differ significantly from the net wealth of households who rented the entire time. Still, non-trivial shares of households did fail to sustain homeownership. Overall, 77 percent of households who bought a home after 1999 were still homeowners in 2013, although this share was much lower for Hispanics (60 percent) and for those in the bottom income quartile (61 percent).

**Comparing the updated 1999-2013 PSID sample to the original 1999-2009 sample**

Our updated sample begins with 1999 heads of household, and includes all 1999 heads who were still a head or a spouse in 2013. Following our original methodology, which sought to exclude households in retirement because they are likely to purposefully draw down rather than build up their wealth, we have limited our sample to heads of household who were under 55 in 1999. As in the original analysis, we also exclude households who were missing for more than two intervening surveys. As a result, the updated 1999-2013 sample includes 3,613 households, which is 530 fewer than the original 1999-2009 sample. Despite the reduced number of observations, sample characteristics, shown in Tables 1A and 1B, were roughly consistent between the two samples.

Tables 2A and 2B present (in constant 2013 dollars) median initial wealth levels, final wealth levels, and changes in wealth among households over the respective 1999-2009 and 1999-2013 study periods. Comparing the initial median wealth in 1999 between the two
samples, we see a slightly higher level in the updated sample, suggesting that the reduction in
the number of observations for 1999-2013 had the effect of weeding out some lower-wealth
households that dissolved between 2009 and 2013. Overall, however, and for each
demographic group, initial wealth in 1999 is roughly similar in both samples.

Comparing end-year wealth between our two samples, we see that the overall 2013
median net wealth and median changes in wealth were very similar to those from 2009. The
largest decreases in end-year median wealth between the two samples were seen for those in
the 25-34 and 35-44 year old age bands, which could reflect the sharp decline in
homeownership for these groups between 2009 and 2013. Relative to median wealth, mean
wealth was a much more dynamic measure and for 2013 was significantly lower than 2009 both
overall and for most subgroups, which would suggest a high degree of wealth lost by high-
wealth households. Still, all demographic groups showed sizeable gains in median and mean
wealth over the 1999-2013 period as a whole.

**Tenure Transitions**

Tables 3A and 3B show the tenure transitions exhibited in our samples. We can see that
the addition of two more surveys (spanning an additional four years) for our updated 1999-
2013 sample resulted in additional changes in tenure compared to the 1999-2009 study period.
Specifically, in 2013 compared to 2009, slightly fewer households reported always owning
(down to 47 percent from 49 percent) or always renting (down to 14 percent from 17 percent).
Such changes were expected, as expanding the number of surveys allows more time for people
to change tenure. The updated sample also had slightly more transitions to renting by both
those who were owners in 1999 and those who first bought after 1999 (both of which were up
to 6 percent from 5 percent as of 2009). But there was also a small increase in the share of
households who transitioned back into homeownership (up to 6 percent from 4 percent). As a
result, 74 percent of households were owners in both 2013 and 2009. Considering the whole
sample, 77 percent of 1999 renters that transitioned into homeownership at some point over
the period were still homeowners in 2013, while 90 percent of those owning in 1999 still owned
by the end of the period.
Across racial/ethnic groups, the greatest increase in failed homeownership spells between 2009 and 2013 occurred among Hispanics. Indeed, only 60 percent of Hispanic renters who transitioned into owning after 1999 were still owners in 2013, down from a 79 percent share in the 2009 sample. Success rates remained substantially higher among non-Hispanic whites and African Americans, with 79 and 75 percent, respectively, of these new homeowners still owning in 2013. Since the sample size for Hispanics is fairly small, some of the shift could result from larger sampling error for this group. But such a large shift could also be a reflection of how the foreclosure crisis played out, as states that are home to a relatively high share of Hispanics like Florida, Arizona, and Nevada experienced particularly elevated foreclosure rates.

Across income bands, households earning an average of less than $70,000 per year saw their success rates in sustaining homeownership fall 6-7 percentage points in the 2013 sample, while rates rose or stayed even for higher-income households. Overall, only 61 percent of those who bought a home after 1999 and had average household incomes of less than $40,000 over the period were still owners in 2013, compared to 70 percent of those with average incomes between $40,000 and $69,999, 84 percent of those averaging $70,000 to $109,999, and 91 percent of those averaging $110,000 or more.

**Changes in Wealth Associated with Tenure Paths**

The median household who owned their home at the end of each sample period, that is, 2009 and 2013, had experienced substantial gains in wealth since 1999 (Tables 4A and 4B). This group includes those who owned during the entire period (with a median wealth gain of $91,900), those who transitioned from renting into owning (with a median wealth gain of $85,400), and those who had a spell of renting between periods of owning (with a median wealth gain of $39,300). Meanwhile, the median wealth of those who began as owners but ended up as renters was substantially lower in 2013 ($10,000) than in 1999 ($57,500). Lastly, the median wealth of those who rented throughout the period remained roughly stable at less than $2,000, while those who started as renters and then had failed rent-to-own transitions (and thus ended as renters) had only very slight decreases in median net wealth, from $3,100 to $1,600—very close to the median net wealth of those who rented for the entire period ($1,500). Overall, the results are very comparable to the findings for the 2009 sample.
Timing of Home Purchase and Changes in Wealth

Our original analysis confirmed the findings of an earlier study by Haurin, Hendershott, and Wachter that wealth increases markedly in the first year of observed homeownership. This continues to hold true in the 1999-2013 update. The original and updated results are available in Tables 5A and 5B. The increase in median wealth for homeowners first observed owning in 2011 is especially large, particularly in contrast to the more modest gains in 2009 and 2013. While beyond the scope of this analysis, it is possible that this large increase in the median wealth of recent buyers in 2011 reflects a short-term jump in the use of larger downpayments and gifted money that was necessary for those wanting to take advantage of drops in home prices and purchase a home during a period when credit remained tight.

Regression Analysis

We re-ran our original four regression models on the 1999-2013 period to compare with the 1999-2009 results, with both cases now in 2013 dollars. Overall, we found consistent results when calculating marginal effects at the median wealth point ($65,200 for the models ending in 2013 and $71,700 for those ending in 2009). The statistical significance remained the same on all variables, and our pseudo-R2 increased slightly compared to the 1999-2009 runs. As a result, we highlight here only the main variables of interest—those related to the number of years of homeownership.

Not unexpectedly, with four more years of data in which home prices were declining for much of the period, there was a decline in the magnitude of the positive effect of being a homeowner on end-year wealth, with estimates around 30 percent lower in our updated 1999-2013 models than in our original 1999-2009 models. Likewise, the positive effect on end-year wealth of the number of years of ownership was smaller, likely due to the drop in home values that happened from 2009 to 2013. But each extra year of homeownership still provides an important boost to wealth—between $6,600-7,700 at the median, according to our models—

and a household who owned their home for the entirety of our updated study period is estimated to have an additional $100,000 in wealth relative to a renter household.

Also consistent with the original analysis, our updated models again find that African American households experience smaller returns on homeownership: each additional year of homeownership benefits wealth, but the end result is around $2,000-$2,600 less than for a comparable white homeowner. For other racial groups, the interaction effects from years of ownership were not statistically significant. Across income quartiles, our updated models again find those in the bottom two quartiles had modestly larger increases in wealth from each year of ownership than the comparison household in the third quartile (though the difference was only statistically significant for the bottom quartile), while those in the top quartile had lower returns. However, the magnitude of both of these effects decreased from 2009 to 2013, indicating that price trends on low- and high-value homes may have converged somewhat over this period.

Conclusions

Expanding our analysis to 2013 allowed us to capture the effects of the housing downturn and foreclosure crisis on household wealth to a much fuller extent than in our original 1999-2009 analysis. Our major conclusion, however, remains the same: Even after the precipitous decline in home prices and the wave of foreclosures that began in 2007, homeownership continues to be associated with significant gains in household wealth at the median for families of all races/ethnicities and income levels. Households who are able to sustain homeownership over prolonged periods stand to gain much. Meanwhile, renters experienced little wealth accumulation over this period. And though homeownership is certainly not without risk, the typical renter household who transitioned into and then exited homeownership by 2013 was no worse off financially than the typical household who remained a renter over the whole period.

However, our updated findings also continue to underscore that for homeowners, maintaining homeownership is crucial to maintaining gains in household wealth. The most substantial losses in wealth were among those who owned their homes in 1999 but were no longer owners by 2013, with the median wealth among this group declining by $47,000. These
losses are in addition to the costs of impaired future credit or the physical and emotional costs of losing one’s home, both of which are beyond the scope of what this study can measure.

Given that for minorities and low-income households homeownership is often the primary avenue to wealth accumulation, the continued positive effect of homeownership on wealth accumulation is particularly important, even when that effect may be more muted than for white households. And though minorities and low-income households experienced lower success rates than white and higher-income households in the transition from renting to owning, more than 60 percent of minority and low-income households who became owners after 1999 were able to sustain ownership through 2013 during the most tumultuous housing market since the Great Depression.
Table 1a: PSID Sample Characteristics, 1999-2009 Sample

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
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<td></td>
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<td>Percent</td>
<td>Freq.</td>
<td>Percent</td>
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<td>Freq.</td>
<td>Percent</td>
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<td>Percent</td>
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<td></td>
<td>Freq.</td>
<td>Percent</td>
<td>Freq.</td>
<td>Percent</td>
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<td>Percent</td>
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</tr>
</tbody>
</table>

Notes:
- Characteristics are as of 1999 with the exception of race/ethnicity and income.
- Race/ethnicity is based on 2009 survey response to take advantage of higher response rate for this survey question.
- Whites and African-Americans are non-Hispanic. Hispanics may be of any race.
- Rent includes those reported to pay no cash rent or who are not otherwise identified as owning their homes.

Source: JCHS calculations based on 1999-2009 PSID.
# Table 1b: PSID Sample Characteristics, 1999-2013 Sample

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
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<tbody>
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<tr>
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<td>$110,000 and Up</td>
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<tr>
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<td>Non-US</td>
<td>13</td>
<td>0.4</td>
</tr>
<tr>
<td>Total</td>
<td>3,613</td>
<td>100.0</td>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Beginning Tenure</th>
<th>Freq.</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Own</td>
<td>2,019</td>
<td>55.9</td>
</tr>
<tr>
<td>Rent</td>
<td>1,594</td>
<td>44.1</td>
</tr>
<tr>
<td>Total</td>
<td>3,613</td>
<td>100.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Region</th>
<th>Freq.</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>NA</td>
<td>5</td>
<td>0.0</td>
</tr>
<tr>
<td>Northeast</td>
<td>13,610</td>
<td>18.2</td>
</tr>
<tr>
<td>North Central</td>
<td>20,201</td>
<td>26.9</td>
</tr>
<tr>
<td>South</td>
<td>22,896</td>
<td>30.5</td>
</tr>
<tr>
<td>West</td>
<td>17,708</td>
<td>23.6</td>
</tr>
<tr>
<td>AK/HI</td>
<td>182</td>
<td>0.2</td>
</tr>
<tr>
<td>Non-US</td>
<td>384</td>
<td>0.5</td>
</tr>
<tr>
<td>Total</td>
<td>74,987</td>
<td>100.0</td>
</tr>
</tbody>
</table>

### Notes:
- Characteristics are as of 1999 with the exception of race/ethnicity and income.
- Race/ethnicity is based on 2013 survey response to take advantage of higher response rate for this survey question.
- Whites and African-Americans are non-Hispanic. Hispanics may be of any race.
- Rent includes those reported to pay no cash rent or who are not otherwise identified as owning their homes.

### Source:
- JCHS calculations based on 1999-2013 PSID.
Table 2a: PSID Sample Net Wealth by Demographic Characteristics, 1999-2009 Sample

### 2013 Dollars

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Median Net Wealth</th>
<th>Mean Net Wealth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2009</td>
</tr>
<tr>
<td>White</td>
<td>68,500</td>
<td>149,600</td>
</tr>
<tr>
<td>African-American</td>
<td>7,000</td>
<td>18,000</td>
</tr>
<tr>
<td>Hispanic</td>
<td>15,400</td>
<td>32,000</td>
</tr>
</tbody>
</table>

### Age in 1999

<table>
<thead>
<tr>
<th>Age</th>
<th>Median Net Wealth</th>
<th>Mean Net Wealth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2009</td>
</tr>
<tr>
<td>Under 25</td>
<td>3,900</td>
<td>24,200</td>
</tr>
<tr>
<td>25-34</td>
<td>15,700</td>
<td>62,700</td>
</tr>
<tr>
<td>35-44</td>
<td>56,600</td>
<td>107,500</td>
</tr>
<tr>
<td>45-54</td>
<td>139,100</td>
<td>188,900</td>
</tr>
</tbody>
</table>

### Average Income 1999-2009 (2013 Dollars)

<table>
<thead>
<tr>
<th>Income Level</th>
<th>Median Net Wealth</th>
<th>Mean Net Wealth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2009</td>
</tr>
<tr>
<td>Less than $40,000</td>
<td>2,900</td>
<td>3,300</td>
</tr>
<tr>
<td>$40,000-69,999</td>
<td>18,700</td>
<td>39,600</td>
</tr>
<tr>
<td>$70,000-109,999</td>
<td>54,100</td>
<td>128,100</td>
</tr>
<tr>
<td>$110,000 and Up</td>
<td>196,600</td>
<td>422,400</td>
</tr>
</tbody>
</table>

Total: 44,700 105,300 29,700 208,700 482,700 273,900

**Notes:**
- Median change shown is the median of the change in each household’s wealth.
- Race/ethnicity is based on 2009 survey response to take advantage of higher response rate for this survey question.
- Whites and African-Americans are non-Hispanic. Hispanics may be of any race.
- Source: JCHS calculations based on 1999-2009 PSID using sample weights.
# Table 2b: PSID Sample Net Wealth by Demographic Characteristics, 1999-2013 Sample

## Median Net Wealth

<table>
<thead>
<tr>
<th>Race/Ethnicity</th>
<th>Average Income 1999-2013 (2013 Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Median Change</td>
</tr>
<tr>
<td><strong>White</strong></td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>71,000</td>
</tr>
<tr>
<td>2013</td>
<td>153,000</td>
</tr>
<tr>
<td><strong>African-American</strong></td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>7,000</td>
</tr>
<tr>
<td>2013</td>
<td>14,200</td>
</tr>
<tr>
<td><strong>Hispanic</strong></td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>15,400</td>
</tr>
<tr>
<td>2013</td>
<td>32,000</td>
</tr>
<tr>
<td><strong>Under 25</strong></td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>4,200</td>
</tr>
<tr>
<td>2013</td>
<td>34,000</td>
</tr>
<tr>
<td><strong>25-34</strong></td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>15,400</td>
</tr>
<tr>
<td>2013</td>
<td>48,200</td>
</tr>
<tr>
<td><strong>35-44</strong></td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>56,600</td>
</tr>
<tr>
<td>2013</td>
<td>94,000</td>
</tr>
<tr>
<td><strong>45-54</strong></td>
<td></td>
</tr>
<tr>
<td>1999</td>
<td>142,100</td>
</tr>
<tr>
<td>2013</td>
<td>215,500</td>
</tr>
<tr>
<td><strong>Average Income 1999-2013 (2013 Dollars)</strong></td>
<td></td>
</tr>
<tr>
<td>Less than $40,000</td>
<td>3,200</td>
</tr>
<tr>
<td>$40,000-69,999</td>
<td>18,300</td>
</tr>
<tr>
<td>$70,000-109,999</td>
<td>58,900</td>
</tr>
<tr>
<td>$110,000 and Up</td>
<td>198,600</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>45,400</td>
</tr>
</tbody>
</table>

## Notes:
- Median change shown is the median of the change in each household's wealth.
- Race/ethnicity is based on 2013 survey response to take advantage of higher response rate for this survey question.
- Whites and African-Americans are non-Hispanic. Hispanics may be of any race.
- Source: JCHS calculations based on 1999-2013 PSID using sample weights.
### Table 3a: Distribution of Households by Tenure Change Category, 1999-2009 Sample

<table>
<thead>
<tr>
<th>Category</th>
<th>Total</th>
<th>White</th>
<th>African-American</th>
<th>Hispanic</th>
<th>Less than $40,000</th>
<th>$40,000-$69,999</th>
<th>$70,000-$109,999</th>
<th>$110,000 and Up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start as an Owner</td>
<td>58</td>
<td>64</td>
<td>35</td>
<td>48</td>
<td>27</td>
<td>48</td>
<td>64</td>
<td>81</td>
</tr>
<tr>
<td>Always Own</td>
<td>49</td>
<td>55</td>
<td>26</td>
<td>40</td>
<td>17</td>
<td>36</td>
<td>55</td>
<td>74</td>
</tr>
<tr>
<td>Own with Interruption</td>
<td>4</td>
<td>4</td>
<td>3</td>
<td>5</td>
<td>3</td>
<td>5</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Own to Rent</td>
<td>5</td>
<td>5</td>
<td>6</td>
<td>3</td>
<td>6</td>
<td>7</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Start as a Renter</td>
<td>42</td>
<td>36</td>
<td>65</td>
<td>52</td>
<td>73</td>
<td>52</td>
<td>36</td>
<td>19</td>
</tr>
<tr>
<td>Rent to Own Sustained</td>
<td>21</td>
<td>21</td>
<td>19</td>
<td>22</td>
<td>16</td>
<td>24</td>
<td>27</td>
<td>16</td>
</tr>
<tr>
<td>Rent to Own Not Sustained</td>
<td>5</td>
<td>4</td>
<td>8</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Always Rent</td>
<td>17</td>
<td>12</td>
<td>38</td>
<td>24</td>
<td>50</td>
<td>20</td>
<td>6</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

**Key Subtotals**

<table>
<thead>
<tr>
<th>Subtotal</th>
<th>Percent</th>
<th>White</th>
<th>African-American</th>
<th>Hispanic</th>
<th>Less than $40,000</th>
<th>$40,000-$69,999</th>
<th>$70,000-$109,999</th>
<th>$110,000 and Up</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share with Stable Tenure</td>
<td>65</td>
<td>66</td>
<td>64</td>
<td>64</td>
<td>67</td>
<td>56</td>
<td>61</td>
<td>76</td>
</tr>
<tr>
<td>Share Owned at Some Point, but Rent in 2009</td>
<td>10</td>
<td>9</td>
<td>14</td>
<td>9</td>
<td>14</td>
<td>15</td>
<td>8</td>
<td>4</td>
</tr>
<tr>
<td>Share of Starting Owners Still Owning</td>
<td>91</td>
<td>92</td>
<td>83</td>
<td>93</td>
<td>76</td>
<td>85</td>
<td>93</td>
<td>97</td>
</tr>
<tr>
<td>Share of &quot;Rent to Own&quot; groups that Own in 2009</td>
<td>81</td>
<td>83</td>
<td>70</td>
<td>79</td>
<td>68</td>
<td>76</td>
<td>87</td>
<td>91</td>
</tr>
</tbody>
</table>

**Notes:**

- Categories based on starting and ending tenure. Categories may include multiple transitions. For example, "rent to own sustained" includes households that transitioned into owning more than once over the observation period.
- Race/ethnicity is based on 2009 survey response to take advantage of higher response rate for this survey question.
- Whites and African-Americans are non-Hispanic. Hispanics may be of any race.

**Source:** JCHS calculations based on 1999-2009 PSID using sample weights.
Table 3b: Distribution of Households by Tenure Change Category, 1999-2013 Sample

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>White</td>
<td>African-</td>
<td>Hispanic</td>
<td>Less than</td>
<td>$40,000-</td>
<td>$70,000-</td>
<td>$110,000 and Up</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>American</td>
<td></td>
<td>$40,000-69,999</td>
<td>109,999</td>
<td>109,999</td>
<td></td>
</tr>
<tr>
<td><strong>Start as an Owner</strong></td>
<td>58</td>
<td>65</td>
<td>34</td>
<td>49</td>
<td>28</td>
<td>49</td>
<td>65</td>
<td>80</td>
</tr>
<tr>
<td>Always Own</td>
<td>47</td>
<td>53</td>
<td>23</td>
<td>37</td>
<td>17</td>
<td>34</td>
<td>53</td>
<td>70</td>
</tr>
<tr>
<td>Own with Interruption</td>
<td>6</td>
<td>6</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>7</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Own to Rent</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>7</td>
<td>8</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td><strong>Start as a Renter</strong></td>
<td>42</td>
<td>35</td>
<td>66</td>
<td>51</td>
<td>72</td>
<td>51</td>
<td>35</td>
<td>20</td>
</tr>
<tr>
<td>Rent to Own Sustained</td>
<td>21</td>
<td>21</td>
<td>24</td>
<td>16</td>
<td>16</td>
<td>25</td>
<td>26</td>
<td>17</td>
</tr>
<tr>
<td>Rent to Own Not Sustained</td>
<td>6</td>
<td>5</td>
<td>8</td>
<td>11</td>
<td>10</td>
<td>10</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Always Rent</td>
<td>14</td>
<td>9</td>
<td>34</td>
<td>24</td>
<td>46</td>
<td>16</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

**Key Subtotals**

<p>| | | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Share with Stable Tenure</td>
<td>61</td>
<td>62</td>
<td>57</td>
<td>61</td>
<td>63</td>
<td>50</td>
<td>58</td>
<td>71</td>
</tr>
<tr>
<td>Share Owned at Some Point, but Rent in 2013</td>
<td>12</td>
<td>11</td>
<td>14</td>
<td>18</td>
<td>17</td>
<td>18</td>
<td>11</td>
<td>6</td>
</tr>
<tr>
<td>Share of Starting Owners Still Owning</td>
<td>90</td>
<td>91</td>
<td>82</td>
<td>87</td>
<td>76</td>
<td>85</td>
<td>90</td>
<td>95</td>
</tr>
<tr>
<td>Share of “Rent to Own” groups that Own in 2013</td>
<td>77</td>
<td>79</td>
<td>75</td>
<td>60</td>
<td>61</td>
<td>70</td>
<td>84</td>
<td>91</td>
</tr>
</tbody>
</table>

Notes:
- Categories based on starting and ending tenure. Categories may include multiple transitions. For example, "rent to own sustained" includes households that transitioned into owning more than once over the observation period.
- Race/ethnicity is based on 2013 survey response to take advantage of higher response rate for this survey question.
- Whites and African-Americans are non-Hispanic. Hispanics may be of any race.

Source: JCHS calculations based on 1999-2013 PSID using sample weights.
Table 4a: Net Wealth by Tenure Change Category, 1999-2009 Sample

2013 Dollars

<table>
<thead>
<tr>
<th></th>
<th>Median Net Wealth</th>
<th>Mean Net Wealth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2009</td>
</tr>
<tr>
<td><strong>Start as an Owner</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Always Own</td>
<td>144,700</td>
<td>246,500</td>
</tr>
<tr>
<td>Own with Interruption</td>
<td>83,900</td>
<td>151,200</td>
</tr>
<tr>
<td>Owner to Rent</td>
<td>54,500</td>
<td>9,600</td>
</tr>
<tr>
<td><strong>Start as a Renter</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent to Own Sustained</td>
<td>8,400</td>
<td>97,700</td>
</tr>
<tr>
<td>Rent to Own Not Sustained</td>
<td>3,900</td>
<td>4,300</td>
</tr>
<tr>
<td>Always Rent</td>
<td>1,600</td>
<td>1,200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>44,700</td>
<td>105,300</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Median Housing Equity</th>
<th>Mean Housing Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2009</td>
</tr>
<tr>
<td><strong>Start as an Owner</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Always Own</td>
<td>67,100</td>
<td>111,800</td>
</tr>
<tr>
<td>Own with Interruption</td>
<td>39,200</td>
<td>65,200</td>
</tr>
<tr>
<td>Owner to Rent</td>
<td>35,000</td>
<td>0</td>
</tr>
<tr>
<td><strong>Start as a Renter</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent to Own Sustained</td>
<td>0</td>
<td>52,100</td>
</tr>
<tr>
<td>Rent to Own Not Sustained</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Always Rent</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>11,200</td>
<td>48,900</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Median Non-Housing Equity</th>
<th>Mean Non-Housing Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2009</td>
</tr>
<tr>
<td><strong>Start as an Owner</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Always Own</td>
<td>57,300</td>
<td>101,000</td>
</tr>
<tr>
<td>Own with Interruption</td>
<td>27,300</td>
<td>47,200</td>
</tr>
<tr>
<td>Owner to Rent</td>
<td>16,800</td>
<td>9,600</td>
</tr>
<tr>
<td><strong>Start as a Renter</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent to Own Sustained</td>
<td>8,400</td>
<td>27,600</td>
</tr>
<tr>
<td>Rent to Own Not Sustained</td>
<td>3,900</td>
<td>4,300</td>
</tr>
<tr>
<td>Always Rent</td>
<td>1,600</td>
<td>1,200</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>19,600</td>
<td>32,600</td>
</tr>
</tbody>
</table>

Note: Median change shown is the median of the change in each household's wealth.
Source: JCHS calculations based on 1999-2009 PSID using sample weights.
### Table 4b: Net Wealth by Tenure Change Category, 1999-2013 Sample

2013 Dollars

<table>
<thead>
<tr>
<th>Category</th>
<th>Median Net Wealth</th>
<th>Mean Net Wealth</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2013</td>
</tr>
<tr>
<td>Start as an Owner</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Always Own</td>
<td>153,100</td>
<td>269,000</td>
</tr>
<tr>
<td>Own with Interruption</td>
<td>87,700</td>
<td>130,000</td>
</tr>
<tr>
<td>Owner to Rent</td>
<td>57,500</td>
<td>10,000</td>
</tr>
<tr>
<td>Start as a Renter</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent to Own Sustained</td>
<td>7,300</td>
<td>99,000</td>
</tr>
<tr>
<td>Rent to Own Not Sustained</td>
<td>3,100</td>
<td>1,600</td>
</tr>
<tr>
<td>Always Rent</td>
<td>1,700</td>
<td>1,500</td>
</tr>
<tr>
<td>Total</td>
<td>45,400</td>
<td>103,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Median Housing Equity</th>
<th>Mean Housing Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2013</td>
</tr>
<tr>
<td>Start as an Owner</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Always Own</td>
<td>69,900</td>
<td>108,000</td>
</tr>
<tr>
<td>Own with Interruption</td>
<td>40,600</td>
<td>60,000</td>
</tr>
<tr>
<td>Owner to Rent</td>
<td>35,000</td>
<td>0</td>
</tr>
<tr>
<td>Start as a Renter</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent to Own Sustained</td>
<td>0</td>
<td>47,000</td>
</tr>
<tr>
<td>Rent to Own Not Sustained</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Always Rent</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Total</td>
<td>12,600</td>
<td>45,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Category</th>
<th>Median Non-Housing Equity</th>
<th>Mean Non-Housing Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1999</td>
<td>2013</td>
</tr>
<tr>
<td>Start as an Owner</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Always Own</td>
<td>62,900</td>
<td>121,000</td>
</tr>
<tr>
<td>Own with Interruption</td>
<td>30,800</td>
<td>53,000</td>
</tr>
<tr>
<td>Owner to Rent</td>
<td>17,900</td>
<td>10,000</td>
</tr>
<tr>
<td>Start as a Renter</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rent to Own Sustained</td>
<td>7,300</td>
<td>26,700</td>
</tr>
<tr>
<td>Rent to Own Not Sustained</td>
<td>3,100</td>
<td>1,600</td>
</tr>
<tr>
<td>Always Rent</td>
<td>1,700</td>
<td>1,500</td>
</tr>
<tr>
<td>Total</td>
<td>20,300</td>
<td>32,000</td>
</tr>
</tbody>
</table>

**Note:** Median change shown is the median of the change in each household's wealth.

**Source:** JCHS calculations based on 1999-2013 PSID using sample weights.
Table 5a: Trends in Median Wealth Among Renters Transitioning to Owning, 1999-2009 Sample

2013 Dollars

All Households Transitioning from Rent to Own

<table>
<thead>
<tr>
<th>First Year Reporting Owning a Home</th>
<th>1999</th>
<th>2001</th>
<th>2003</th>
<th>2005</th>
<th>2007</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>11,200</td>
<td>46,000</td>
<td>55,700</td>
<td>86,500</td>
<td>96,600</td>
<td>76,000</td>
</tr>
<tr>
<td>2003</td>
<td>9,800</td>
<td>9,900</td>
<td>69,600</td>
<td>91,800</td>
<td>112,500</td>
<td>84,700</td>
</tr>
<tr>
<td>2005</td>
<td>3,900</td>
<td>7,400</td>
<td>17,700</td>
<td>88,300</td>
<td>117,400</td>
<td>85,300</td>
</tr>
<tr>
<td>2007</td>
<td>4,200</td>
<td>4,200</td>
<td>3,800</td>
<td>6,800</td>
<td>46,100</td>
<td>31,500</td>
</tr>
<tr>
<td>2009</td>
<td>2,900</td>
<td>5,300</td>
<td>3,000</td>
<td>4,500</td>
<td>9,000</td>
<td>27,300</td>
</tr>
<tr>
<td>Total</td>
<td>7,300</td>
<td>16,400</td>
<td>33,400</td>
<td>64,900</td>
<td>90,700</td>
<td>70,000</td>
</tr>
</tbody>
</table>

Subset 1 - Households Transitioning from Rent to Own that Sustain Owning until 2009

<table>
<thead>
<tr>
<th>First Year Reporting Owning a Home</th>
<th>1999</th>
<th>2001</th>
<th>2003</th>
<th>2005</th>
<th>2007</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>14,000</td>
<td>53,900</td>
<td>69,600</td>
<td>111,500</td>
<td>144,900</td>
<td>133,500</td>
</tr>
<tr>
<td>2003</td>
<td>9,800</td>
<td>9,900</td>
<td>63,900</td>
<td>101,400</td>
<td>140,400</td>
<td>104,200</td>
</tr>
<tr>
<td>2005</td>
<td>5,900</td>
<td>7,400</td>
<td>16,500</td>
<td>96,600</td>
<td>134,800</td>
<td>124,900</td>
</tr>
<tr>
<td>2007</td>
<td>5,600</td>
<td>4,600</td>
<td>2,300</td>
<td>7,800</td>
<td>48,500</td>
<td>42,300</td>
</tr>
<tr>
<td>2009</td>
<td>2,900</td>
<td>5,300</td>
<td>3,000</td>
<td>4,500</td>
<td>9,000</td>
<td>27,300</td>
</tr>
<tr>
<td>Total</td>
<td>8,400</td>
<td>17,100</td>
<td>39,200</td>
<td>72,800</td>
<td>110,100</td>
<td>97,700</td>
</tr>
</tbody>
</table>

Subset 2 - Households Transitioning from Rent to Own that Fail to Sustain Owning until 2009

<table>
<thead>
<tr>
<th>First Year Reporting Owning a Home</th>
<th>1999</th>
<th>2001</th>
<th>2003</th>
<th>2005</th>
<th>2007</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>4,800</td>
<td>24,600</td>
<td>15,600</td>
<td>21,100</td>
<td>7,500</td>
<td>4,300</td>
</tr>
<tr>
<td>2003</td>
<td>7,700</td>
<td>8,900</td>
<td>69,600</td>
<td>54,900</td>
<td>21,600</td>
<td>8,100</td>
</tr>
<tr>
<td>2005</td>
<td>2,100</td>
<td>6,700</td>
<td>19,000</td>
<td>57,300</td>
<td>60,100</td>
<td>1,100</td>
</tr>
<tr>
<td>2007</td>
<td>2,200</td>
<td>0</td>
<td>12,700</td>
<td>3,200</td>
<td>22,600</td>
<td>11,900</td>
</tr>
<tr>
<td>Total</td>
<td>3,900</td>
<td>11,800</td>
<td>22,400</td>
<td>28,400</td>
<td>20,300</td>
<td>4,300</td>
</tr>
</tbody>
</table>

Source: JCHS calculations based on 1999-2009 PSID using sample weights.

Note: Figures shown in bold represent year of transition into homeownership.
# Table 5b: Trends in Median Wealth Among Renters Transitioning to Owning, 1999-2013 Sample

2013 Dollars

## All Households Transitioning from Rent to Own

<table>
<thead>
<tr>
<th>First Year Reporting Owning a Home</th>
<th>1999</th>
<th>2001</th>
<th>2003</th>
<th>2005</th>
<th>2007</th>
<th>2009</th>
<th>2011</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>9,200</td>
<td><strong>46,900</strong></td>
<td>54,800</td>
<td>82,400</td>
<td>93,400</td>
<td>77,100</td>
<td>51,800</td>
<td>51,100</td>
</tr>
<tr>
<td>2003</td>
<td>9,800</td>
<td>9,900</td>
<td><strong>69,600</strong></td>
<td>92,400</td>
<td>112,000</td>
<td>83,600</td>
<td>61,100</td>
<td>92,000</td>
</tr>
<tr>
<td>2005</td>
<td>5,900</td>
<td>9,700</td>
<td>19,100</td>
<td><strong>89,500</strong></td>
<td>118,000</td>
<td>85,800</td>
<td>64,600</td>
<td>98,000</td>
</tr>
<tr>
<td>2007</td>
<td>4,500</td>
<td>4,600</td>
<td>4,300</td>
<td>6,800</td>
<td><strong>48,500</strong></td>
<td>30,900</td>
<td>15,500</td>
<td>19,200</td>
</tr>
<tr>
<td>2009</td>
<td>2,900</td>
<td>5,300</td>
<td>2,200</td>
<td>4,500</td>
<td>9,000</td>
<td><strong>27,100</strong></td>
<td>25,900</td>
<td>16,500</td>
</tr>
<tr>
<td>2011</td>
<td>2,100</td>
<td>3,300</td>
<td>2,500</td>
<td>1,800</td>
<td>2,800</td>
<td>1,800</td>
<td><strong>70,400</strong></td>
<td>84,000</td>
</tr>
<tr>
<td>2013</td>
<td>1,000</td>
<td>3,500</td>
<td>3,800</td>
<td>6,600</td>
<td>15,800</td>
<td>5,400</td>
<td>12,400</td>
<td><strong>38,000</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>6,800</strong></td>
<td><strong>12,800</strong></td>
<td><strong>27,900</strong></td>
<td><strong>48,300</strong></td>
<td><strong>78,600</strong></td>
<td><strong>51,000</strong></td>
<td><strong>48,700</strong></td>
<td><strong>55,200</strong></td>
</tr>
</tbody>
</table>

## Subset 1 - Households Transitioning from Rent to Own that Sustain Owning until 2013

<table>
<thead>
<tr>
<th>First Year Reporting Owning a Home</th>
<th>1999</th>
<th>2001</th>
<th>2003</th>
<th>2005</th>
<th>2007</th>
<th>2009</th>
<th>2011</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>10,500</td>
<td><strong>53,100</strong></td>
<td>64,400</td>
<td>104,400</td>
<td>118,000</td>
<td>105,300</td>
<td>84,900</td>
<td>98,000</td>
</tr>
<tr>
<td>2003</td>
<td>9,800</td>
<td>9,900</td>
<td><strong>79,400</strong></td>
<td>90,700</td>
<td>123,600</td>
<td>97,700</td>
<td>74,600</td>
<td>110,000</td>
</tr>
<tr>
<td>2005</td>
<td>7,700</td>
<td>11,500</td>
<td>19,100</td>
<td><strong>101,600</strong></td>
<td>138,200</td>
<td>124,900</td>
<td>116,500</td>
<td>149,600</td>
</tr>
<tr>
<td>2007</td>
<td>5,900</td>
<td>7,200</td>
<td>6,600</td>
<td>8,000</td>
<td><strong>52,800</strong></td>
<td>52,100</td>
<td>35,600</td>
<td>45,000</td>
</tr>
<tr>
<td>2009</td>
<td>3,500</td>
<td>9,200</td>
<td>10,500</td>
<td>9,500</td>
<td>10,600</td>
<td><strong>28,200</strong></td>
<td>39,400</td>
<td>39,000</td>
</tr>
<tr>
<td>2011</td>
<td>2,100</td>
<td>5,300</td>
<td>2,500</td>
<td>1,800</td>
<td>3,900</td>
<td>3,500</td>
<td><strong>69,000</strong></td>
<td>97,500</td>
</tr>
<tr>
<td>2013</td>
<td>1,000</td>
<td>3,500</td>
<td>3,800</td>
<td>6,600</td>
<td>15,800</td>
<td>5,400</td>
<td>12,400</td>
<td><strong>38,000</strong></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7,300</strong></td>
<td><strong>16,400</strong></td>
<td><strong>38,000</strong></td>
<td><strong>59,600</strong></td>
<td><strong>93,400</strong></td>
<td><strong>80,400</strong></td>
<td><strong>73,500</strong></td>
<td><strong>99,000</strong></td>
</tr>
</tbody>
</table>

## Subset 2 - Households Transitioning from Rent to Own that Fail to Sustain Owning until 2013

<table>
<thead>
<tr>
<th>First Year Reporting Owning a Home</th>
<th>1999</th>
<th>2001</th>
<th>2003</th>
<th>2005</th>
<th>2007</th>
<th>2009</th>
<th>2011</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>4,800</td>
<td><strong>32,200</strong></td>
<td>17,100</td>
<td>24,100</td>
<td>11,200</td>
<td>11,100</td>
<td>6,200</td>
<td>1,500</td>
</tr>
<tr>
<td>2003</td>
<td>7,000</td>
<td>6,400</td>
<td><strong>69,600</strong></td>
<td>92,400</td>
<td>21,600</td>
<td>6,500</td>
<td>6,200</td>
<td>6,600</td>
</tr>
<tr>
<td>2005</td>
<td>2,100</td>
<td>6,600</td>
<td>19,000</td>
<td><strong>68,600</strong></td>
<td>75,300</td>
<td>3,800</td>
<td>5,500</td>
<td>2,500</td>
</tr>
<tr>
<td>2007</td>
<td>1,500</td>
<td>0</td>
<td>0</td>
<td>3,200</td>
<td><strong>28,900</strong></td>
<td>14,100</td>
<td>0</td>
<td>500</td>
</tr>
<tr>
<td>2009</td>
<td>2,900</td>
<td>3,900</td>
<td>1,300</td>
<td>1,800</td>
<td>5,600</td>
<td><strong>27,100</strong></td>
<td>2,100</td>
<td>1,000</td>
</tr>
<tr>
<td>2011</td>
<td>2,800</td>
<td>0</td>
<td>-900</td>
<td>3,600</td>
<td>0</td>
<td><strong>71,300</strong></td>
<td>1,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,100</strong></td>
<td><strong>7,200</strong></td>
<td><strong>11,400</strong></td>
<td><strong>21,100</strong></td>
<td><strong>24,500</strong></td>
<td><strong>8,300</strong></td>
<td><strong>5,700</strong></td>
<td><strong>1,600</strong></td>
</tr>
</tbody>
</table>

Source: JCHS calculations based on 1999-2013 PSID using sample weights.

Note: Figures shown in bold represent year of transition into homeowner.
### Table 6a: Regression Model Results, 1999-2009 Sample

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>96,400 ***</td>
<td>82,700 ***</td>
<td>90,200 ***</td>
<td>88,700 ***</td>
</tr>
<tr>
<td>Wealth in 1999</td>
<td>2.4 ***</td>
<td>2.4 ***</td>
<td>2.4 ***</td>
<td>2.6 ***</td>
</tr>
<tr>
<td>Income Quartile 1</td>
<td>-46,300 ***</td>
<td>-46,700 ***</td>
<td>-61,600 ***</td>
<td>-63,000 ***</td>
</tr>
<tr>
<td>Income Quartile 2</td>
<td>-24,500 ***</td>
<td>-23,400 ***</td>
<td>-40,000 ***</td>
<td>-36,100 ***</td>
</tr>
<tr>
<td>Income Quartile 4</td>
<td>39,600 ***</td>
<td>39,700 ***</td>
<td>93,800 ***</td>
<td>80,000 ***</td>
</tr>
<tr>
<td>African American</td>
<td>-22,100 ***</td>
<td>-5,100</td>
<td>700</td>
<td>-1,600</td>
</tr>
<tr>
<td>Hispanic</td>
<td>-6,100</td>
<td>-1,300</td>
<td>-1,500</td>
<td>4,300</td>
</tr>
<tr>
<td>Asian</td>
<td>16,400</td>
<td>77,700</td>
<td>34,900</td>
<td>10,200</td>
</tr>
<tr>
<td>Other Race</td>
<td>-27,600</td>
<td>-37,000</td>
<td>-28,400</td>
<td>-27,400</td>
</tr>
<tr>
<td>Northeast</td>
<td>15,600</td>
<td>17,400</td>
<td>15,700</td>
<td>13,100</td>
</tr>
<tr>
<td>South</td>
<td>11,100</td>
<td>11,400</td>
<td>10,300</td>
<td>11,000</td>
</tr>
<tr>
<td>West</td>
<td>18,200 **</td>
<td>18,900 **</td>
<td>19,600 **</td>
<td>18,100 **</td>
</tr>
<tr>
<td>Other non-Midwest Region (n/a or US territory)</td>
<td>54,000</td>
<td>62,300 *</td>
<td>43,200</td>
<td>50,300</td>
</tr>
<tr>
<td>Less than High School</td>
<td>-31,500 ***</td>
<td>-30,500 ***</td>
<td>-28,800 ***</td>
<td>-23,000 ***</td>
</tr>
<tr>
<td>High School Graduate</td>
<td>-24,500 ***</td>
<td>-23,200 ***</td>
<td>-22,000 ***</td>
<td>-19,200 ***</td>
</tr>
<tr>
<td>Some College</td>
<td>-21,500 ***</td>
<td>-21,900 ***</td>
<td>-22,000 ***</td>
<td>-19,200 ***</td>
</tr>
<tr>
<td>Missing Education</td>
<td>-10,600 *</td>
<td>-10,800 **</td>
<td>-8,400 *</td>
<td>-4,600 **</td>
</tr>
<tr>
<td>Age under 25</td>
<td>-11,300</td>
<td>-6,800</td>
<td>-4,700</td>
<td>-9,100</td>
</tr>
<tr>
<td>Age 25-34</td>
<td>-7,000 **</td>
<td>-7,000 **</td>
<td>-7,000 **</td>
<td>-5,600 **</td>
</tr>
<tr>
<td>Age 35-44</td>
<td>-7,600 **</td>
<td>-7,200 **</td>
<td>-4,500 *</td>
<td>-3,700 ***</td>
</tr>
<tr>
<td>Always Married</td>
<td>-6,700</td>
<td>-5,400</td>
<td>-3,400</td>
<td>-6,900</td>
</tr>
<tr>
<td>Got Married</td>
<td>15,400 ***</td>
<td>15,500 ***</td>
<td>14,200 ***</td>
<td>3,500</td>
</tr>
<tr>
<td>Got Divorced</td>
<td>-29,800 ***</td>
<td>-29,400 ***</td>
<td>-30,300 ***</td>
<td>-12,900 **</td>
</tr>
<tr>
<td>Has Children</td>
<td>-11,700 ***</td>
<td>-12,300 ***</td>
<td>-13,100 ***</td>
<td>-11,100 ***</td>
</tr>
<tr>
<td>Receive Inheritance or Gift</td>
<td>7,600 ***</td>
<td>5,800 **</td>
<td>6,900 ***</td>
<td>8,400 **</td>
</tr>
<tr>
<td>Years Owned</td>
<td>10,000 ***</td>
<td>11,100 ***</td>
<td>10,300 ***</td>
<td>9,600 ***</td>
</tr>
<tr>
<td>Years Owned * African American</td>
<td>-2,300 ***</td>
<td>-3,100 ***</td>
<td>-2,900 ***</td>
<td></td>
</tr>
<tr>
<td>Years Owned * Hispanic</td>
<td>-200</td>
<td>-600</td>
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</tr>
<tr>
<td>Years Owned * Asian</td>
<td>-5,800</td>
<td>-1,900</td>
<td>-1,700</td>
<td></td>
</tr>
<tr>
<td>Years Owned * Other Race</td>
<td>2,300</td>
<td>1,500</td>
<td>800</td>
<td></td>
</tr>
<tr>
<td>Years Owned * Income Quartile 1</td>
<td>2,200 *</td>
<td>3,200 ***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Years Owned * Income Quartile 2</td>
<td>1,800</td>
<td>1,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Years Owned * Income Quartile 4</td>
<td>-5,000 ***</td>
<td>-3,600 **</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Years Owned * Own with Interruption</td>
<td>1,500 **</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Years Owned * Own to Rent</td>
<td>-14,200 ***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Years Owned * Rent to Own Sustained</td>
<td>3,700 ***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Years Owned * Rent to Own Not Sustained</td>
<td>-10,900 ***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Observations</td>
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<td>4,101</td>
<td>4,101</td>
<td>4,101</td>
</tr>
<tr>
<td>Pseudo R2</td>
<td>0.406</td>
<td>0.407</td>
<td>0.409</td>
<td>0.430</td>
</tr>
</tbody>
</table>

Note: Asterisks (*** / ** / *) represent coefficient significance at the (99% / 95% / 90%) level
Source: JCHS calculations based on 1999-2009 PSID.
### Table 6b: Regression Model Results, 1999-2013 Sample

#### Marginal Effects of Independent Variables

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td>97,000 ***</td>
<td>79,600 ***</td>
<td>85,400 ***</td>
<td>91,100 ***</td>
</tr>
<tr>
<td>Wealth in 1999</td>
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<td>2.1 ***</td>
<td>2.1 ***</td>
<td>2.2 ***</td>
</tr>
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<td>Income Quartile 1</td>
<td>-43,800 ***</td>
<td>-47,200 ***</td>
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<td>-60,600 ***</td>
</tr>
<tr>
<td>Income Quartile 2</td>
<td>-24,800 ***</td>
<td>-21,800 ***</td>
<td>-29,200 ***</td>
<td>-31,800 ***</td>
</tr>
<tr>
<td>Income Quartile 4</td>
<td>50,800 ***</td>
<td>49,200 ***</td>
<td>101,200 ***</td>
<td>83,700 ***</td>
</tr>
<tr>
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<td>3,900</td>
<td>8,400</td>
<td>6,200</td>
</tr>
<tr>
<td>Hispanic</td>
<td>-4,700</td>
<td>5,300</td>
<td>8,400</td>
<td>7,800</td>
</tr>
<tr>
<td>Asian</td>
<td>14,900</td>
<td>28,200</td>
<td>22,900</td>
<td>21,800</td>
</tr>
<tr>
<td>Other Race</td>
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<td>-23,200</td>
<td>-17,600</td>
<td>-13,700</td>
</tr>
<tr>
<td>Northeast</td>
<td>500</td>
<td>4,900</td>
<td>4,900</td>
<td>1,300</td>
</tr>
<tr>
<td>South</td>
<td>-200</td>
<td>1,700</td>
<td>2,400</td>
<td>2,700</td>
</tr>
<tr>
<td>West</td>
<td>11,500 **</td>
<td>11,400 **</td>
<td>10,600 **</td>
<td>8,400 **</td>
</tr>
<tr>
<td>Other non-Midwest Region (n/a or US territory)</td>
<td>30,100</td>
<td>45,700 *</td>
<td>30,200</td>
<td>35,900</td>
</tr>
<tr>
<td>Less than High School</td>
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<td>-26,100 ***</td>
<td>-26,000 ***</td>
<td>-22,300 ***</td>
</tr>
<tr>
<td>High School Graduate</td>
<td>-21,100 ***</td>
<td>-17,900 ***</td>
<td>-18,600 ***</td>
<td>-19,200 ***</td>
</tr>
<tr>
<td>Some College</td>
<td>-22,000 ***</td>
<td>-19,900 ***</td>
<td>-19,700 ***</td>
<td>-20,500 ***</td>
</tr>
<tr>
<td>Missing Education</td>
<td>-14,900 *</td>
<td>-16,700 **</td>
<td>-15,700 *</td>
<td>-15,600 **</td>
</tr>
<tr>
<td>Age under 25</td>
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<td>800</td>
<td>-2,900</td>
</tr>
<tr>
<td>Age 25-34</td>
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<td>-9,700 **</td>
<td>-9,700 **</td>
<td>-9,600 **</td>
</tr>
<tr>
<td>Age 35-44</td>
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<td>-9,900 **</td>
<td>-8,200 *</td>
<td>-9,500 ***</td>
</tr>
<tr>
<td>Always Married</td>
<td>-4,400</td>
<td>-4,800</td>
<td>-5,200</td>
<td>-2,400</td>
</tr>
<tr>
<td>Got Married</td>
<td>15,500 ***</td>
<td>15,000 ***</td>
<td>13,700 ***</td>
<td>5,200</td>
</tr>
<tr>
<td>Got Divorced</td>
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<td>-28,600 ***</td>
<td>-27,900 ***</td>
<td>-9,800 **</td>
</tr>
<tr>
<td>Has Children</td>
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<td>-11,600 ***</td>
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</tr>
<tr>
<td>Receive Inheritance or Gift</td>
<td>10,000 ***</td>
<td>9,600 **</td>
<td>9,900 ***</td>
<td>7,800 **</td>
</tr>
<tr>
<td>Years Owned</td>
<td>6,600 ***</td>
<td>7,700 ***</td>
<td>7,400 ***</td>
<td>6,800 ***</td>
</tr>
<tr>
<td>Years Owned * African American</td>
<td>-2,100 ***</td>
<td>-2,600 ***</td>
<td>-2,500 ***</td>
<td></td>
</tr>
<tr>
<td>Years Owned * Hispanic</td>
<td>-400</td>
<td>-1,000</td>
<td>-1,000</td>
<td></td>
</tr>
<tr>
<td>Years Owned * Asian</td>
<td>-1,000</td>
<td>-500</td>
<td>-400</td>
<td></td>
</tr>
<tr>
<td>Years Owned * Other Race</td>
<td>1,100</td>
<td>1,000</td>
<td>700</td>
<td></td>
</tr>
<tr>
<td>Years Owned * Income Quartile 1</td>
<td>1,600 *</td>
<td>2,300 ***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Years Owned * Income Quartile 2</td>
<td>500</td>
<td>700</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Years Owned * Income Quartile 4</td>
<td>-3,600 ***</td>
<td>-2,600 **</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Years Owned * Own with Interruption</td>
<td>1,000 **</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Years Owned * Own to Rent</td>
<td></td>
<td>-9,200 ***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Years Owned * Rent to Own Sustained</td>
<td>2,300 ***</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Years Owned * Rent to Own Not Sustained</td>
<td></td>
<td>-8,000 ***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Observations</td>
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<td>3,571</td>
<td>3,571</td>
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<tr>
<td>Pseudo R2</td>
<td>0.412</td>
<td>0.414</td>
<td>0.416</td>
<td>0.440</td>
</tr>
</tbody>
</table>

Note: Asterisks (*** / ** / *) represent coefficient significance at the (99% / 95% / 90%) level.

Source: JCHS calculations based on 1999-2013 PSID.